

CEO Observations

August 4, 2017

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2Q income: A noisy quarter

- Loan book: growth was backended
- Net interest margin: SGD impact eroded by HIBOR
- Fee income: base year effect of investment banking
- Treasury & Markets

Business momentum

Mortgage¹

Grew market share to

27.9% → **28.7%**

Jun 2016

Jun 2017

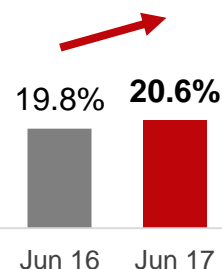
New bookings in 2Q17

highest in 5 years

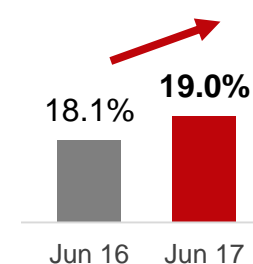
Cards¹

Market shares at record

ENR



Billings



Wealth

AUM +16% YoY

\$175bn

Expect ~\$20bn add-on with ANZ

Global Transaction Services

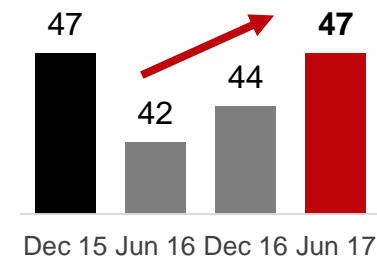
Cash/SFS income

+28% YoY

in 1H17

Trade assets

(S\$bn)



ANZ integration on track

- Making good progress across 5 markets

China	Completed
Singapore	Targeted for completion this weekend (5 – 6 August)
Hong Kong	3Q 2017
Taiwan	4Q 2017
Indonesia	1Q 2018

1H expenses declined 1%, cost-income ratio improved to 43%

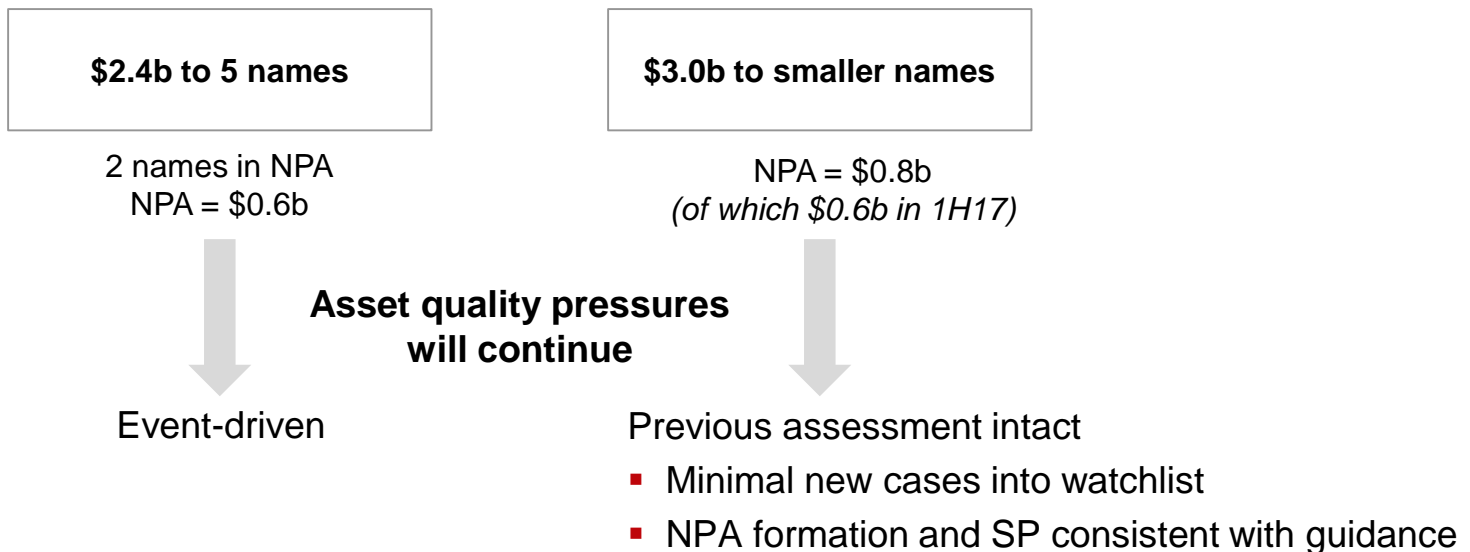
- **Improved channels and distribution**
 - Cash, ATMs, branches, contact centre
- **Digitized end-to-end processes**
 - Increased digital acquisitions and straight through processing
- **Simplified business models and structures**
 - SME, Commodities, Vickers
- **Optimised technology infrastructure**
 - Insourcing of applications development, leveraging cloud architecture, open source platforms, commodity hardware, sourcing and productivity

Portfolio update: Support services

(S\$b)	Exposure	Of which: Loan
Jun 2017 ¹	7	6

Update on portfolio

- \$1.6b to state-owned / government-linked shipyards
- Remaining \$5.4b



¹ Excludes Swiber

Outlook

- Loan pipeline healthy: maintain mid-single digit growth full-year
- Income for 2H: mid-single digit growth
- Cost-income ratio: hold around 43%
- Specific provisions could be higher than previous guidance